

**WAYNE COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Wayne County  
Loa, Utah 84747

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wayne County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

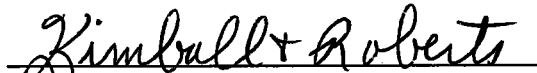
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2005, on our consideration of Wayne County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 15, 44 and 45 through 48 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Wayne County. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 24, 2005  
Richfield, Utah

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Wayne County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2004. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and conservation and economic development.

**Amounts are in thousands of dollars, unless otherwise indicated.**

### Financial Highlights

- ◆ The assets of Wayne County exceeded its liabilities as of the close of the most recent year by \$15,472 (*net assets*). Of this amount, \$590 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net assets increased by \$210. The revenues were less than the final budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- ◆ At the close of the current year, the Wayne County governmental funds reported combined ending fund balances of \$894. Approximately 66 percent of this total amount, \$590 is available for spending at the government's discretion (*unreserved fund balance*).
- ◆ At the end of the current year, unreserved fund balance for the general fund was \$512, or 32 percent of total general fund expenditures.
- ◆ Wayne County's total debt decreased by \$184 during the current year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Wayne County's basic financial statements. Wayne County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Wayne County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Wayne County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Wayne County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Wayne County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Wayne County include general government, public safety, public health, highways and public improvements, parks and recreation, and conservation and economic development.

The government-wide financial statements include not only Wayne County itself (known as the primary government), but also two legally separate special service districts, one for garbage and sanitation services and one for roads, and facilities for flood control, hospital, recreation and any other lawful public facilities. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

### **Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wayne County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Wayne County can be divided into two categories: governmental funds and fiduciary funds.

### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and

changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Wayne County maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the B-Road fund both of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Wayne County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

#### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Wayne County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

#### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Wayne County.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

#### **Government-wide financial analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Wayne County, assets exceeded liabilities by \$15,472 at the close of the most recent fiscal year.



By far the largest portion of Wayne County's net assets (94 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Wayne County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Wayne County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### Wayne County's Net Assets

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Current and other assets	945	1,030
Capital assets	<u>15,051</u>	<u>14,994</u>
Total assets	<u>15,996</u>	<u>16,024</u>
Long-term Liabilities outstanding	305	495
Other liabilities	<u>219</u>	<u>266</u>
Total liabilities	<u>524</u>	<u>761</u>
Net Assets:		
Invested in capital assets, net of related debt	14,578	14,382
Restricted	304	524
Unrestricted	<u>590</u>	<u>357</u>
Total net assets	<u>15,472</u>	<u>15,263</u>

A portion of Wayne County's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$590) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Wayne County is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

#### Governmental activities

Governmental activities increased Wayne County's net assets by \$210. Key elements of this increase are as follows:

## Wayne County's Changes in Net Assets

### Governmental Activities

	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>		
Program Revenues:		
Charges For Services	470	598
Operating Grants and Contributions	1,121	1,219
General Revenues:		
Property Taxes	453	424
Other Taxes	336	187
Federal Payment in Lieu of Taxes	240	233
Unrestricted Investment Earnings	13	17
Other	(11)	-
<b>Total Revenues</b>	<u>2,622</u>	<u>2,678</u>
 <b>Expenses:</b>		
General Government	708	681
Public Safety	626	353
Public Health	37	170
Highways and Public Improvements	783	681
Parks and Recreation	70	86
Economic Development	132	153
Interest on Long-Term Debt	19	36
Culture and Recreation	37	28
<b>Total Expenses</b>	<u>2,412</u>	<u>2,188</u>
 Increase in Net Assets	210	490
 Net Assets - Beginning	<u>15,262</u>	<u>14,772</u>
 Net Assets - End	<u>15,472</u>	<u>15,262</u>

## **Financial Analysis of the Government's Funds**

As noted earlier, Wayne County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

The focus of Wayne County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Wayne County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year. At the end of the year, Wayne County's governmental funds reported combined ending fund balances of \$894. Approximately 66 percent of this amount (\$590) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to highways and public improvements (\$276), and 2) to landfill (\$28).

The general fund is the chief operating fund of Wayne County. At the end of the current year, *unreserved fund balance* of the general fund was \$512. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved fund balance* to total fund expenditures. *Unreserved fund balance* represents 32 percent of total general fund expenditures.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget of \$207 can be briefly summarized as follows:

- ◆ \$65 increase in general government
- ◆ \$96 increase in public safety.
- ◆ \$14 increase in parks and recreation
- ◆ \$32 increase in conservation and economic development

Of this increase, \$0 was funded out of prior year *unreserved fund balance*. During the year, however, actual revenues were less than budgeted revenues by \$120, and actual expenditures were less than budgeted expenditures by \$162 resulting in a net increase in fund balance of \$42

### **Capital Asset and Debt Administration**

#### **Capital assets**

Wayne County's investment in capital assets for its governmental activities as of December 31, 2004, amounts to \$15,051 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, and bridges. The total increase in Wayne County's investment in capital assets for the current year was \$209.

Major capital asset events during the current year included the following:

- ◆ Road and heavy equipment purchases of \$119.
- ◆ Public Safety Autos of \$51.
- ◆ General Government \$17 for Telephone system and \$21 for land.

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

**Wayne County's Capital Assets**  
(net of depreciation)

Governmental Activities

	<u>2004</u>	<u>2003</u>
Land	2,077	2,056
Infrastructure	11,724	11,724
Water Shares	0	0
Buildings	742	773

Equipment	508	442
Total	<u>15,051</u>	<u>14,995</u>

Additional information on Wayne's capital assets can be found in the notes to the financial statements.

**Long-term debt**

At the end of the current year, Wayne had total bonded debt outstanding of \$439. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

**Wayne's Outstanding Debt**

Governmental Activities

	<u>2004</u>	<u>2003</u>
Revenue Bonds	439	568

Additional information on Wayne County's long-term debt can be found in the notes of the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

- ◆ The unemployment rate for Wayne County is 5.0 percent which is a decrease from a rate of 6.7 a year ago. This is about equal to the state's average unemployment rate of 4.9 percent and the national average rate of 5.1 percent.
- ◆ The collection of property taxes in Wayne County is a major revenue source. The tax rates were not increased in 2004. The County collected \$453 in property tax in 2004.

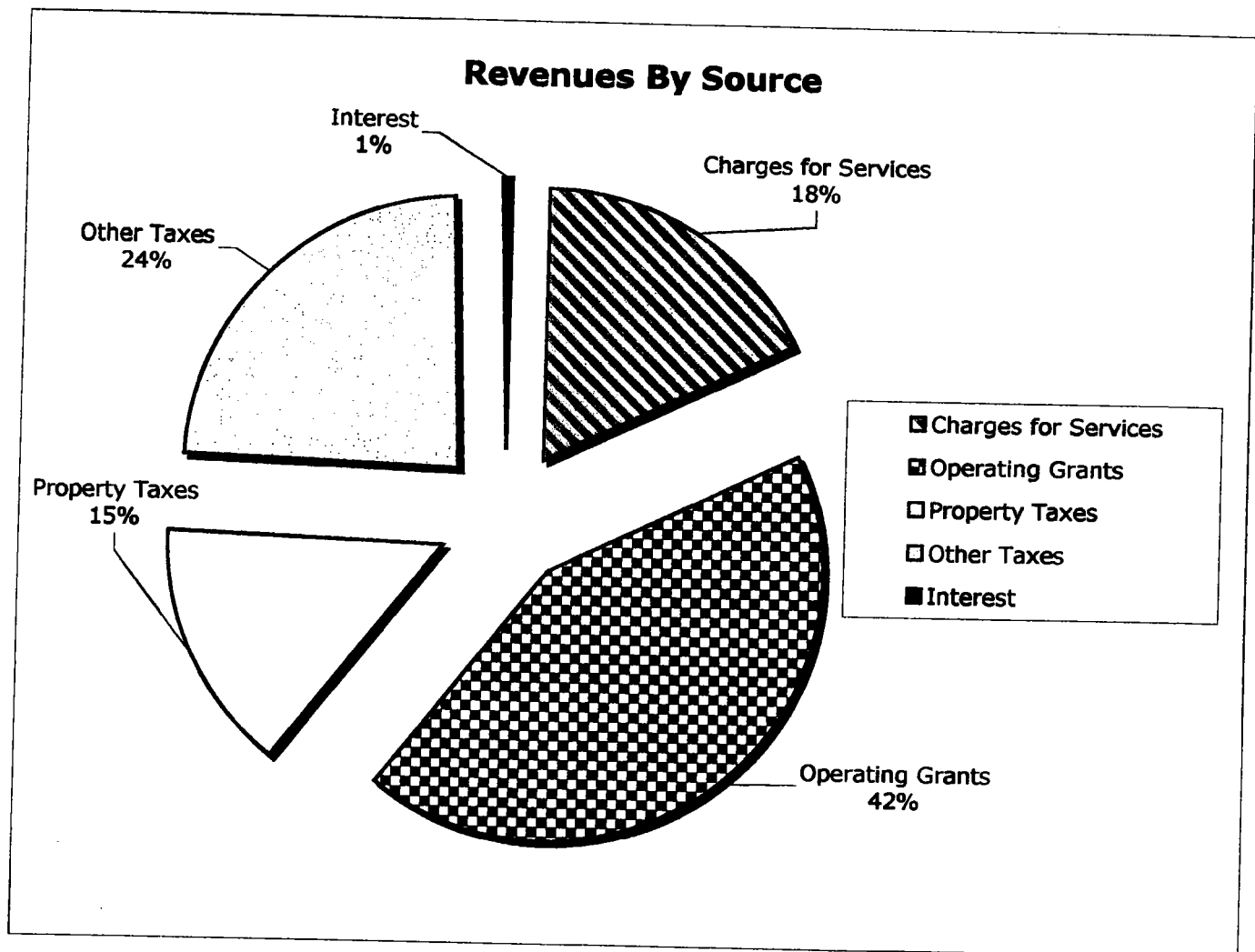
These factors were considered in preparing Wayne County's budget for the 2004 year.

### **Requests for Information**

This financial report is designed to provide a general overview of Wayne County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Wayne County Clerk/Auditor, 18 South Main, Loa, UT 84747

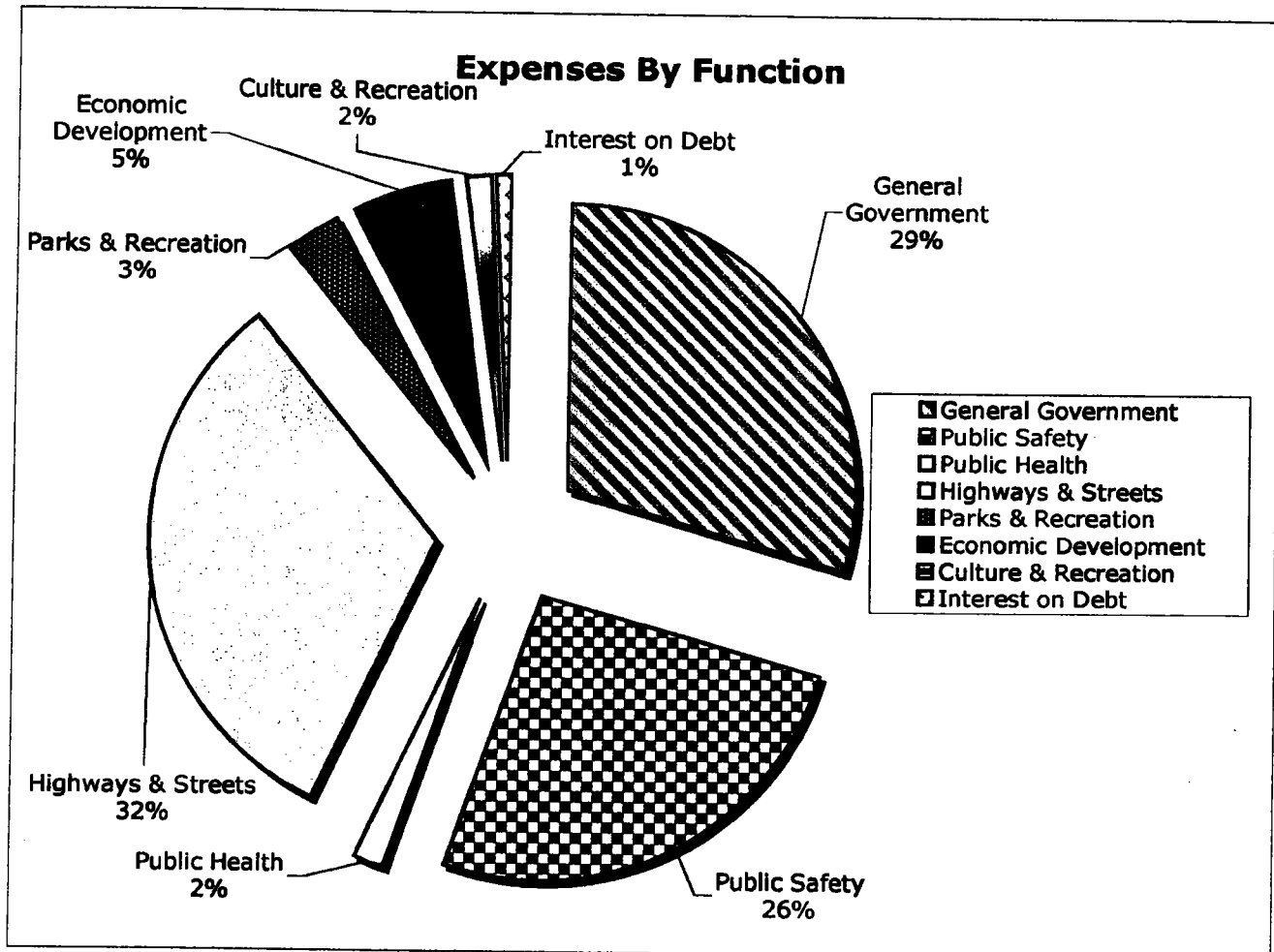
**Wayne County  
Revenues By Source  
For The Year Ended December 31, 2004**

Charges for Services	469,696
Operating Grants	1,120,549
Property Taxes	388,673
Other Taxes	629,840
Interest	13,480
	<hr/>
Total	<u><u>2,622,238</u></u>



**Wayne County  
Expenses By Function  
For The Year Ended December 31, 2004**

General Government	708,151
Public Safety	625,637
Public Health	37,497
Highways & Streets	782,839
Parks & Recreation	69,897
Economic Development	132,168
Culture & Recreation	37,039
Interest on Debt	19,403
<b>Total</b>	<b><u>2,412,631</u></b>



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# **BASIC FINANCIAL STATEMENTS**

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**WAYNE COUNTY  
STATEMENT OF NET ASSETS**

**December 31, 2004**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	516,538	984,504
Accounts Receivable (Net)	38,000	17,020
Due From Other Government Units	218,905	-
Total Current Assets	<u>773,443</u>	<u>1,001,524</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	171,447	-
Capital Assets (Net of Accumulated Depreciation):		
Land	2,077,050	2,000
Buildings	742,600	128,353
Improvements Other Than Buildings	-	3,340
Equipment	507,681	198,400
Infrastructure	11,724,000	-
Total Noncurrent Assets	<u>15,222,778</u>	<u>332,093</u>
TOTAL ASSETS	<u><u>15,996,221</u></u>	<u><u>1,333,617</u></u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	33,260	-
Accrued Liabilities	5,477	-
Bond Interest Payable	2,500	-
Revenue Bonds Payable - Due Within One Year	177,507	-
Total Current Liabilities	<u>218,744</u>	<u>-</u>
Noncurrent Liabilities:		
Landfill Closure and Postclosure Costs	12,000	-
Revenue Bonds Payable - More Than One Year	261,183	435,000
Compensated Absences	31,965	-
Total Noncurrent Liabilities	<u>305,148</u>	<u>435,000</u>
TOTAL LIABILITIES	<u>523,892</u>	<u>435,000</u>
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Debt	14,578,176	(102,907)
Restricted For:		
Class B Road	133,070	-
Class B Road Bond Reserves	143,394	-
Landfill Postclosure Costs	28,053	-
Unrestricted	589,636	1,001,524
TOTAL NET ASSETS	<u>15,472,329</u>	<u>898,617</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>15,996,221</u></u>	<u><u>1,333,617</u></u>

The notes to the financial statements are an integral part of this statement.

**WAYNE COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2004**

Function/Programs Primary Government:	Expenses	Program Revenues		Net (Expense) Revenues Changes in Net Assets
		Charges for Services	Operating Grants/ Contributions	
Governmental Activities:				
General Government	708,151	285,145	32,302	(390,704)
Public Safety	625,637	-	95,768	(529,869)
Public Health	37,497	114,014	13,632	90,149
Highways and Public Improvements	782,839	30,793	937,752	185,706
Park and Recreation	69,897	-	-	(69,897)
Economic Development	132,168	-	41,095	(91,073)
Culture and Recreation	37,039	39,744	-	2,705
Interest on Long-Term Debt	19,403	-	-	(19,403)
Total Primary Government	2,412,631	469,696	1,120,549	(822,386)
Component Units:				
Governmental Type:				
Road District	43,875	-	-	(43,875)
Sanitation District	304,117	181,853	120,637	(1,627)
Total Component Units	347,992	181,853	120,637	(45,502)
General Revenues:				
Property Taxes				
Fee-In-Lieu of Property Taxes				388,673
Transient Room Tax				64,426
Restaurant Tax				96,604
Sales Taxes				33,765
Federal Payments in Lieu of Taxes				205,781
Loss on Sale of Fixed Assets				240,064
Grants and Contributions Not Restricted to Specific Programs				(10,800)
Unrestricted Investment Earnings				-
				13,480
Total General Revenues and Transfers				1,031,993
Change in Net Assets				191,346
Net Assets - Beginning				145,844
Net Assets - Ending				752,773
				15,472,329

The notes to the financial statements are an integral part of this statement.

**WAYNE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2004**

	General Fund	Class B Roads Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	552,713	57,559	77,713	687,985
Accounts Receivable (Net)	38,000	-	-	38,000
Due From Other Government Units	-	218,905	-	218,905
<b>TOTAL ASSETS</b>	<u>590,713</u>	<u>276,464</u>	<u>77,713</u>	<u>944,890</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	33,260	-	-	33,260
Accrued Liabilities	5,478	-	-	5,478
Accrued Landfill Costs	12,000	-	-	12,000
<b>Total Liabilities</b>	<u>50,738</u>	<u>-</u>	<u>-</u>	<u>50,738</u>
Fund Balances:				
Reserved For:				
Class "B" Road	-	133,070	-	133,070
Bond Reserves	-	143,394	-	143,394
Landfill Postclosure	28,053	-	-	28,053
Unreserved, Reported In:				
General Fund	511,922	-	-	511,922
Special Revenue Funds	-	-	77,713	77,713
<b>Total Fund Balance</b>	<u>539,975</u>	<u>276,464</u>	<u>77,713</u>	<u>894,152</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>590,713</u>	<u>276,464</u>	<u>77,713</u>	<u>944,890</u>

The notes to the financial statements are an integral part of this statement.

**WAYNE COUNTY**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**December 31, 2004**

Total Fund Balances - Governmental Fund Types	894,152
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	2,077,050	
Buildings	742,600	
Equipment	507,681	
Infrastrucrture	<u>11,724,000</u>	
 Total		 15,051,331

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Revenue Bonds	(438,690)	
Bond Interest Payable	(2,500)	
Compensated Absences	<u>(31,964)</u>	
 Total		 <u>(473,154)</u>

Net Assets of Government Activities	<u><u>15,472,329</u></u>
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**WAYNE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2004**

	General Fund	Class B Roads Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Tax	388,673	-	-	388,673
Fee-In-Lieu of Property Tax	64,426	-	-	64,426
Sales Tax	205,781	-	-	205,781
Transient Room Tax	96,604	-	-	96,604
Restaurant Tax	33,765			33,765
Licenses and Permits	41,056	-	-	41,056
Intergovernmental	455,261	905,352	-	1,360,613
Charges for Services	276,841	-	39,744	316,585
Fines and Forfeitures	53,232	-	-	53,232
Interest	7,227	6,000	253	13,480
Miscellaneous	34,323	17,500	7,000	58,823
<b>Total Revenues</b>	<b>1,657,189</b>	<b>928,852</b>	<b>46,997</b>	<b>2,633,038</b>
<b>Expenditures:</b>				
Current:				
General Government	682,831	-	-	682,831
Public Safety	597,082	-	-	597,082
Public Health	28,727	-	-	28,727
Highways and Public Improvements	-	719,412	-	719,412
Parks and Recreation	69,897	-	-	69,897
Economic Development	132,168	-	-	132,168
Culture and Recreation	-	-	37,039	37,039
Debt Service:				
Principal	12,864	151,000	6,000	169,864
Interest	2,029	18,434	-	20,463
Capital Outlay	89,626	119,200	-	208,826
<b>Total Expenditures</b>	<b>1,615,224</b>	<b>1,008,046</b>	<b>43,039</b>	<b>2,666,309</b>
<b>Net Change In Fund Balance</b>	<b>41,965</b>	<b>(79,194)</b>	<b>3,958</b>	<b>(33,271)</b>
<b>Fund Balance - Beginning</b>	<b>498,010</b>	<b>355,658</b>	<b>73,755</b>	<b>927,423</b>
<b>Fund Balance - Ending</b>	<b>539,975</b>	<b>276,464</b>	<b>77,713</b>	<b>894,152</b>

The notes to the financial statements are an integral part of this statement.

**WAYNE COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Year Ended December 31, 2004**

Amounts reported for governmental activities in the statement of activities  
are different because:

Net Changes in Fund Balances - Total Governmental Funds	(33,271)
---------------------------------------------------------	----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	208,826	
Depreciation	<u>(140,440)</u>	
Total		68,386

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond Principal Payments	169,864
-------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Bond Interest Payable	1,060	
Compensated Absences	14,368	
Loss on Disposition of Assets	<u>(10,800)</u>	
Total		<u>4,628</u>

Changes In Net Assets of Governmental Activities	<u><u>209,607</u></u>
--------------------------------------------------	-----------------------

**WAYNE COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUND**

**December 31, 2004**

**ASSETS:**

Cash and Investments	<u>108,112</u>
<b>TOTAL ASSETS</b>	<u><b>108,112</b></u>

**LIABILITIES:**

Collections Payable	<u>108,112</u>
---------------------	----------------

**FIDUCIARY NET ASSETS:**

Net Assets	<u>-</u>
<b>TOTAL LIABILITIES AND FIDUCIARY NET ASSETS</b>	<u><b>108,112</b></u>

The notes to the financial statements are an integral part of this statement.

**WAYNE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Wayne County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2004.

**A. Reporting Entity:**

For financial reporting purposes, Wayne County has included all funds and account groups. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these financial statements present Wayne County (the primary government) and its component units. The component units, the Special Service District #1 and the Sanitation Special Service District are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. Complete financial statements of the individual component units, which issued separate financial statements, can be obtained from the Wayne County Clerk's office in Loa, Utah.

**Discrete Component Units:**

These component units are entities which are legally separate from the County, but are financially accountable to the County or whose relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the districts. These districts were organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component unit column of the combined financial statements includes the financial data of the following entities:

- \* **Wayne County Special Service District #1 (Governmental Fund Type)** - This District was created by the adoption of a resolution to establish a Special Service District by the Wayne County Commissioners on January 4, 1989 for the purpose of improving roads, public health, hospital, recreation, or other areas allowed by Section 11-23-4 of the State of Utah code. The Special Service Districts administrative control board consists of three (3) members, each of whom was appointed by the County Board of Commissioners.



**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- \* Wayne County Sanitation Special Service District (Governmental Fund Type) - This District was created by the adoption of a resolution to establish a Special Service District by the Wayne County Commissioners on July 6, 1993 for the purpose of construction, repair and maintenance of all facilities and to provide total garbage and sanitation services to all unincorporated and incorporated areas in Wayne County. The special Service District's administration control board consists of five (5) members, each of whom was appointed by the County Board of Commissioners.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Wayne County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The B Road Fund receives funding from the State Department of Transportation to be expended on eligible B Roads in the County.

The Government also reports the following Other Governmental Funds:

Municipal Building Authority and TV Fund.

Additionally the Government reports the following fund types:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer and paid to the taxing entities within the County.

The Justice Court Trust Fund collects fines and bail monies in the Justice Court and remits the monies to the appropriate agencies and parties to the court actions.

The District Court Trust Fund which collects fines and bail monies in the District Court and remits the monies to the appropriate agencies and parties to the court actions.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Equipment	5 - 10 Years

**Compensated Absences:**

The County has a policy which allows employees to accumulate vacation pay and sick pay. The County allows 144 hours of vacation pay to be carried over from year to year.

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WAYNE COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Property Tax Calendar:**

- |             |                                                                                                                                                                                                                                                                                                                      |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 1   | Lien Date - All property appraised based upon situs and status as of this date (real and personal).                                                                                                                                                                                                                  |
| March 1     | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.                                                                                                                                                       |
| June 22     | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.                                                                                                                                                                                                         |
| July 22     | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates.                                                                                                                                                                                                                                                                             |
| November 1  | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.                                                                                                                                                                                                                   |
| November 1  | County auditor to charge the county treasurer to account for all taxes levied.                                                                                                                                                                                                                                       |
| November 1  | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.                                                                                                                                                                                                      |
| November 30 | Taxes on real property become delinquent.                                                                                                                                                                                                                                                                            |

**G. Budgets and Budgetary Accounting:**

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing in at least one issue of the newspaper of general circulation published within the County in which the is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the County Commission in the month of November, the County Auditor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the County Commission makes final adjustments to the tentative budget.
4. On or before December 15, the County Commission adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The County Commission may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the County Commission.
8. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Counties require Counties to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The County maintains a cash investment pool that is available for use by all funds. Each fund type's portion in this pool is displayed on the combined balance sheet as "Cash and Investments."

**Deposits:**

At December 31, 2004, the carrying amount of Wayne County's deposits for the primary government was \$723,674 and the bank balance was \$815,346. Of the bank balance \$125,036 was covered by federal depository insurance. At December 31, 2004, the carrying amount of the component unit's deposits was \$64,568 and the bank balance was \$64,568. All of the bank balance was covered by federal depository insurance. The remaining deposits for the primary government were uninsured and uncollateralized and were held by various financial institutions. The State of Utah does not require collateral on deposits. However, the State Commissioner of Financial Institutions monitors financial institutions monthly and establishes limits for deposit of public money at individual financial institutions.

**Investments:**

Statutes authorize the County to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standards and Poors Corporation or P-1 by Moody's Commercial Paper Record, bankers acceptances, repurchase agreements, and the State Treasurer's investment pool. The County is also authorized to enter into reverse repurchase agreements

The County's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 included uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name. Investments at December 31, 2004, are as follows:

**Primary Government:**

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Investments:				
Construction Escrow	-	-	-	2,870
Other Items:				
State Treasurer's Investment Pool				69,553
Total Investments				<u>72,423</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash is recorded in the following funds:

Governmental	687,985
Agency Funds	<u>108,112</u>
	<u><u>796,097</u></u>

**Component Units:**

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Investments	<u>-</u>	<u>-</u>	<u>-</u>	-
Other Items:				
State Treasurer's Investment Pool				<u>919,936</u>
Total Investments				<u><u>919,936</u></u>

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

**NOTE 3 - TRANSIENT ROOM TAX**

Monies received by the County for transient room tax are designated to be expended for certain specified purposes. These transactions are normally shown in a special revenue fund. However, because of the relatively small amount of monies received, the County has elected to budget and account for these monies in the General Fund.



**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2004, was as follows:

**Capital Assets (Primary Government):**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	308,950	21,500	-	330,450
Land Under Roads	436,650	-	-	436,650
Land - Rights of Way	1,309,950	-	-	1,309,950
Infrastructure	11,724,000	-	-	11,724,000
 Total Capital Assets Not Being Depreciated	 13,779,550	 21,500	 -	 13,801,050
Capital Assets Being Depreciated:				
Buildings	1,301,000	-	98,000	1,203,000
Equipment	925,500	187,326	27,000	1,085,826
 Total Capital Assets Being Depreciated	 2,226,500	 187,326	 125,000	 2,288,826
Less Accumulated Depreciation For:				
Buildings	528,325	30,075	-	558,400
Equipment	483,980	110,365	16,200	578,145
 Total Accumulated Depreciation	 1,012,305	 140,440	 16,200	 1,136,545
 Total Capital Assets Being Depreciated (Net)	 1,214,195	 46,886	 108,800	 1,152,281
 Governmental Activities Capital Assets, Net	 14,993,745	 68,386	 108,800	 14,953,331

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	25,895
Public Safety	36,025
Public Health	11,500
Highways and Public Improvements	<u>67,020</u>
Total Depreciation Expense	<u><u>140,440</u></u>

**Component Units:**

Statement of Changes in Capital Assets (Component Units) as of December 31, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Capital Assets Being Depreciated:				
Buildings	158,300	14,231	-	172,531
Improvements	12,500	-	-	12,500
Equipment	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>475,000</u>
Total Capital Assets Being Depreciated	<u>645,800</u>	<u>14,231</u>	<u>-</u>	<u>660,031</u>
Less Accumulated Depreciation For:				
Buildings	40,000	4,178	-	44,178
Improvements	8,330	830	-	9,160
Equipment	<u>227,100</u>	<u>49,500</u>	<u>-</u>	<u>276,600</u>
Total Accumulated Depreciation	<u>275,430</u>	<u>54,508</u>	<u>-</u>	<u>329,938</u>
Total Capital Assets Being Depreciated (Net)	<u>370,370</u>	<u>(40,277)</u>	<u>-</u>	<u>330,093</u>
Governmental Activities Capital Assets, Net	<u><u>372,370</u></u>	<u><u>(40,277)</u></u>	<u><u>-</u></u>	<u><u>332,093</u></u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 5 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

**Closure and Postclosure Care Cost - Municipal Solid Waste Landfill - Class IV:**

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste. The final closure of this Class IV Landfill shall consist of leveling waste to the extent practicable, covering with a minimum of two feet of earthen material, and seeding with grass according to the closure plan contained in the permit applications. Wayne County shall also meet the requirements of UAC R315-302-2(6) by recording with the Wayne County Recorder, as part of the record of title, that the property has been used as a landfill. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as expenditure in the General Fund each period based on landfill capacity used as of each balance sheet date. The \$1,150 reported as landfill closure and postclosure care liability for the Class IV Landfill at December 31, 2004, represents the cumulative amount reported to date based on the use of less than 12% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$3,850 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The County expects to close the landfill in the year 2095. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2004, investments of \$3,000 are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

**Closure and Postclosure Care Cost - Municipal Solid Waste Landfill - Class II:**

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an expenditure in the General Fund each period based on landfill capacity used as of each balance sheet date. The \$10,850 reported as landfill closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of less than 10% of the estimated capacity of the landfill.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 5 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)**

The County will recognize the remaining estimated cost of closure and postclosure care of \$29,150 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The County expects to close the landfill in the year 2095. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The County is in compliance with these requirements, and, at December 31, 2004, investments of \$22,036 are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

**NOTE 6 - LONG-TERM DEBT**

**Primary Government**

**Class B Road Excise Bond:**

On August 17, 1998, Wayne County authorized the issuance of the Wayne County, Utah Excise Tax Road Bonds, Series 1998, in the amount of \$1,136,000 for the purpose of defraying a part of the cost of constructing additions and improvements to certain Class B Roads within the County.

The bond requires the County to deposit \$113,600 into a Wayne County, Utah, Series 1998 Debt Service Reserve Fund. The balance of the reserve fund at year end was \$143,394.

The terms of the bond require quarterly payments of approximately \$42,000 including interest at the rate of 4.35%. The following is a schedule of debt service payment to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	158,000	10,894	168,894
2006	<u>165,000</u>	<u>4,286</u>	<u>169,286</u>
	<u>323,000</u>	<u>15,180</u>	<u>338,180</u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

December 31, 2004

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Community Impact Board Loan:**

The County secured a loan from the Community Impact Board for \$100,000 for the purpose of constructing a distance education building in Bicknell, Utah. The terms of the loan require yearly payments on September 1, 2003 and for the following four years in the amount of \$6,000. The payment then increases on September 1, 2008 and for the following nine years to \$7,000.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	6,000	-	6,000
2006	6,000	-	6,000
2007	6,000	-	6,000
2008	7,000	-	7,000
2009	7,000	-	7,000
2010-2014	35,000	-	35,000
2015-2019	21,000	-	21,000
<b>Total</b>	<u><u>88,000</u></u>	<u><u>-</u></u>	<u><u>88,000</u></u>

**Ambulance Loan:**

During 2002 the County borrowed \$65,000 from Far West Bank for the purpose of acquiring an ambulance. The terms of the loan require annual payments of \$14,891.61 including interest at 5%.

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	13,507	1,385	14,892
2006	14,183	709	14,892
<b>Total</b>	<u><u>27,690</u></u>	<u><u>2,094</u></u>	<u><u>29,784</u></u>

**Capital Lease Payable:**

On August 10, 1998, the county entered into a capital lease with First Security Bank for the acquisition of an ambulance. The amount of the lease was \$40,000 with a five year amortization and an interest rate of 4.5%. This lease was paid in full during the current year.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

The following is a statement of changes in Long-Term Debt:

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Class B Road Excise Bond	474,000	-	151,000	323,000
CIB Bond - Bicknell Building	94,000	-	6,000	88,000
Ambulance Loan - FWB	40,554	-	12,864	27,690
	<u>608,554</u>	<u>-</u>	<u>169,864</u>	<u>438,690</u>

**Compensated Absences:**

At December 31, 2004, the County was liable for accrued vacation pay. The liability computed according to the personnel policy is \$31,965.

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Compensated Absences	<u>46,333</u>	<u>-</u>	<u>14,368</u>	<u>31,965</u>

**Component Units:**

**Loans Payable:**

The following is a statement of changes in Long-Term Debt for the Component Units:

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Community Impact Board	<u>500,000</u>	<u>-</u>	<u>65,000</u>	<u>435,000</u>

**NOTE 7 - MUNICIPAL BUILDING AUTHORITY**

On May 21, 2001, the County Commissioners approved a resolution to create a Municipal Building Authority for Wayne County, Utah and approved the forms of articles of incorporation and bylaws relating thereto, and authorized the appropriate officers, the County Commissioners, to take all necessary action in connection with the new Building Authority. The Municipal Building Authority is treated as a blended component unit of the County.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 8 - CLASS "B" ROADS**

The following is a schedule of changes in Class "B" Roads:

Balance - Beginning of Year	<u>355,658</u>
Receipts:	
Class "B" Allotments	905,352
Interest	6,000
Sundry	<u>17,500</u>
Total Receipts	<u>928,852</u>
Disbursements:	
Construction and Maintenance	675,758
Administrative Costs	50,000
Capital Outlay	112,854
Debt Service:	
Principal	151,000
Interest	<u>18,434</u>
Total Disbursements	<u>1,008,046</u>
Balance - End of Year	<u><u>276,464</u></u>

**NOTE 9 - SPECIAL REVENUE T. V. FUND**

The following is a schedule of changes in the Special Revenue TV. Fund:

Balance - Beginning of Year	<u>73,488</u>
Receipts:	
Fees	<u>39,744</u>
Disbursements:	
Salaries and Wages	3,000
Employee Benefits	12,067
Equipment, Supplies and Maintenance	18,504
Utilities	<u>3,468</u>
Total Disbursements	<u>37,039</u>
Balance - End of Year	<u><u>76,193</u></u>

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 10 - TRANSFERS**

There were no transfers during the year.

**NOTE 11 - PENSION PLAN**

**Local Governmental - Cost Sharing**

**Plan description:**

Wayne County contributes to the Local Governmental Noncontributory Retirement System and Public Safety Other Division A Contributory Retirement System for employers with Social Security Coverage both of which are cost-sharing multiple-employer defined benefit pension plans Administered by the Utah Retirement System (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong: 12.29% to the Public Safety Other Division A Contributory Retirement System. Wayne County is required to contribute a percent of covered salary to the respective systems, 11.09% to the Noncontributory and 7.70% to the Public Safety Other Division A Contributory Systems. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Wayne County contributions to the various systems for the years ending December 31, 2004, 2003 and 2002 respectively were; for the Noncontributory System, \$45,109.19, \$35,967.55 and \$29,574.18; and for the Public Safety Other Division A Noncontributory, \$23,277.26, \$13,987.21 and \$11,997.24 respectively. The contributions were equal to the required contributions for each year.



**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 12 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties. Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled locations, and crime. The Mutual is reinsured through commercial companies in excess of \$150,000 for property to a limit of \$50,000,000 and \$250,000 for liability to a limit of \$750,000 with a combined excess aggregate of \$1,000,000 to 1,350,000. The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

In 2004 the County provided medical and health through a policy with Public Employees Health Plan (PEHP) of Utah. The maximum out-of-pocket expense per person per year is \$1,000 or \$2,000 per family per year.

Claims have not exceeded coverage in any of the last three calendar years.

**NOTE 13 - INDIVIDUAL COMPONENT UNIT DISCLOSURES**

Wayne County has two component units which are described below:

**Governmental Fund Types:**

**Wayne County Special Service District #1:**

The purpose of the District is to provide improvements in roads, public health, hospitals, recreation and other areas as provided by law.

**Wayne County Sanitation Special Service District:**

The District provides garbage and sanitation services within the County.

**WAYNE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2004**

**NOTE 13 - INDIVIDUAL COMPONENT UNIT DISCLOSURES (CONTINUED)**

Condensed financial statements for the discretely presented component units for the year ended December 31, 2004, follows:

**Governmental Fund Type:**

	Wayne County Special Service District #1	Wayne County Sanitation Special Service District	Total
<b>Condensed Balance Sheet:</b>			
Current Assets	577,727	423,797	1,001,524
Property and Equipment	-	332,093	332,093
<b>Total Assets</b>	<u>577,727</u>	<u>755,890</u>	<u>1,333,617</u>
<b>Liabilities:</b>			
Revenue Bonds Payable	-	435,000	435,000
<b>Total Liabilities</b>	-	435,000	435,000
<b>Fund Equity</b>	<u>577,727</u>	<u>320,890</u>	<u>898,617</u>
<b>Total Liabilities and Fund Equity</b>	<u>577,727</u>	<u>755,890</u>	<u>1,333,617</u>

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances For Component Units That Use Governmental Fund Accounting:**

Revenues	189,037	304,799	493,836
Current Expenditures	(43,875)	(290,077)	(333,952)
Debt Service	-	(14,040)	(14,040)
<b>Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>145,162</u>	<u>682</u>	<u>145,844</u>

**Condensed Statement of Changes in Capital Assets for Component Units that Use Governmental Fund Accounting:**

<b>Capital Assets:</b>			
Beginning of Year	-	372,370	372,370
Additions	-	14,231	14,231
Deletions	-	(54,508)	(54,508)
<b>End of Year</b>	<u>-</u>	<u>332,093</u>	<u>332,093</u>

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is used to assist in formatting, for easier reading)

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**WAYNE COUNTY  
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM**

**For The Year Ended December 31, 2004**

**Percentage of Lane-Miles in Good or Better Condition:**

	<u>2003</u>	<u>2004</u>
Paved	95	93
Gravel	95	94
Dirt (Native)	90	88
Bridges	90	90
Overall System	90	91

**Percentage of Lane-Miles in Substandard Condition:**

	<u>2003</u>	<u>2004</u>
Paved	5	4
Gravel	5	5
Dirt (Native)	10	12
Bridges	10	10
Overall System	10	8

**Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:**

	<u>2003</u>	<u>2004</u>
<b>Paved:</b>		
Needed	178,000	185,000
Actual	175,000	180,000
<b>Gravel:</b>		
Needed	289,000	300,000
Actual	280,000	290,000
<b>Dirt (Native):</b>		
Needed	356,000	365,000
Actual	345,000	370,000
<b>Overall System:</b>		
Needed	820,000	850,000
Actual	800,000	840,000
<b>Difference</b>	<u>(20,000)</u>	<u>(10,000)</u>

The condition of road pavement is measured using the American...(AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 80 percent of its road system at a good or better condition level. No more than 20 percent should be in substandard condition for paved and gravel roads. Condition assessments are determined every year.

This schedule only presents the information for 2003 and 2004. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the County implemented these new standards in 2003, and did not collect this information for the prior years. The County will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating, which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (new). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

**WAYNE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	498,010	498,010	498,010	-
Resources (Inflows):				
Property Taxes	369,000	369,000	453,099	84,099
Sales Taxes	164,500	164,500	205,781	41,281
Transient Room Tax	77,000	77,000	96,604	19,604
Restaurant Tax	30,000	30,000	33,765	3,765
Licenses and Permits	54,600	54,600	41,056	(13,544)
Intergovernmental Revenue	505,000	627,270	455,261	(172,009)
Charges for Services	247,850	247,850	276,841	28,991
Fines and Forfeitures	60,000	60,000	53,232	(6,768)
Interest	8,200	8,200	7,227	(973)
Miscellaneous Revenue	34,000	34,000	34,323	323
Use of Surplus	20,000	104,600	-	(104,600)
Amounts Available for Appropriation	<u>2,068,160</u>	<u>2,275,030</u>	<u>2,155,199</u>	<u>(119,831)</u>
Charges to Appropriations (Outflows):				
General Government:				
Commission	99,884	99,884	85,186	14,698
District Court	37,958	37,958	35,659	2,299
J. P. Court	47,833	49,768	45,711	4,057
Public Defender	9,000	9,000	9,000	-
Data Processing	25,123	27,123	27,161	(38)
Microfilm and Copy Machine	11,373	11,373	8,877	2,496
Audit	7,000	9,000	9,000	-
Clerk/Auditor	69,570	69,570	61,040	8,530
Treasurer/Recorder	79,235	79,235	75,178	4,057
Attorney	33,250	33,250	31,966	1,284
Assessor	71,744	71,744	70,151	1,593
Non-Departmental	19,057	62,383	40,040	22,343
General Government Buildings	69,500	77,000	66,760	10,240
Elections	25,207	28,407	28,356	51
Planning and Zoning	4,200	4,200	2,567	1,633
Building Department	50,407	50,407	39,520	10,887
Education and Community Programs	95,000	100,100	100,002	98
Total General Government	<u>755,341</u>	<u>820,402</u>	<u>736,174</u>	<u>84,228</u>

Continued

**WAYNE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Year Ended December 31, 2004**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Charges to Appropriations (Outflows) Continued:</b>				
Public Safety:				
Law Enforcement	281,086	318,642	316,833	1,809
Drug Enforcement	-	-	197	(197)
Search and Rescue	10,020	13,249	12,761	488
Fire Departments	47,433	59,102	57,835	1,267
Animal Control	5,500	5,500	1,350	4,150
Emergency Management	192,362	212,199	219,291	(7,092)
Weed Control	29,200	53,167	39,991	13,176
Total Public Safety	565,601	661,859	648,258	13,601
Public Health:				
Public/Mental Health	32,000	32,000	28,727	3,273
Parks and Recreation:				
Parks and Recreation	-	-	2,408	(2,408)
Swimming Pool	38,675	51,675	33,583	18,092
Library	33,500	34,000	33,906	94
Total Parks and Recreation	72,175	85,675	69,897	15,778
Conservation and Economic Development:				
Airport	37,350	37,350	20,184	17,166
Extension Services	41,667	41,666	34,751	6,915
Cloud Seeding	-	500	500	-
County Fair and State Fair	8,500	8,500	8,405	95
Economic Development	43,716	75,268	56,469	18,799
Distance Education	13,800	13,800	11,859	1,941
Total Conservation and Economic Development	145,033	177,084	132,168	44,916
Total Charges to Appropriations	1,570,150	1,777,020	1,615,224	161,796
Budgetary Fund Balance - December 31	498,010	498,010	539,975	41,965

**WAYNE COUNTY  
BUDGETARY COMPARISON SCHEDULE  
CLASS B ROAD**

**For The Year Ended December 31, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note A)</u>	<u>Positive</u> <u>(Negative)</u>
Budgetary Fund Balance, January 1	355,658	355,658	355,658	-
Resources (Inflows):				
Intergovernmental	900,000	900,000	905,352	5,352
Interest	10,000	6,000	6,000	-
Miscellaneous	24,000	-	17,500	17,500
Use of Surplus	<u>141,560</u>	<u>169,560</u>	<u>-</u>	<u>(169,560)</u>
Amounts Available for Appropriation	<u>1,431,218</u>	<u>1,431,218</u>	<u>1,284,510</u>	<u>(146,708)</u>
Charges to Appropriations (Outflows):				
County Roads	<u>1,075,560</u>	<u>1,075,560</u>	<u>1,008,046</u>	<u>67,514</u>
Total Charges to Appropriations	<u>1,075,560</u>	<u>1,075,560</u>	<u>1,008,046</u>	<u>67,514</u>
Budgetary Fund Balance - December 31	<u><u>355,658</u></u>	<u><u>355,658</u></u>	<u><u>276,464</u></u>	<u><u>(79,194)</u></u>



**WAYNE COUNTY  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Year Ended December 31, 2004**

	<u>General Fund</u>	<u>Class B Road</u>
<b>Sources/Inflows and Resources:</b>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	2,155,199	1,284,510
<b>Differences - Budget to GAAP:</b>		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(498,010)	(355,658)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	-	-
Bond proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes but are other financing sources.	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>1,657,189</u>	<u>928,852</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	1,615,224	1,008,046
<b>Differences - Budget to GAAP:</b>		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>1,615,224</u>	<u>1,008,046</u>

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# **COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

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**WAYNE COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

**For The Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
<b>PROPERTY TAX FUND</b>				
<b>ASSETS</b>				
Cash	161,192	1,295,657	1,351,266	105,583
Taxes Receivable	53,408	8,824	53,408	8,824
<b>TOTAL ASSETS</b>	<u>214,600</u>	<u>1,304,481</u>	<u>1,404,674</u>	<u>114,407</u>
<b>LIABILITIES</b>				
Collections Payable	36,588	200,495	235,992	1,091
Due to Taxing Units	178,012	1,294,883	1,359,579	113,316
<b>TOTAL LIABILITIES</b>	<u>214,600</u>	<u>1,495,378</u>	<u>1,595,571</u>	<u>114,407</u>
<b>CLERK'S TRUST FUND</b>				
<b>ASSETS</b>				
Cash	2,425	10,376	10,367	2,434
<b>LIABILITIES</b>				
Deposits Payable	2,425	10,376	10,367	2,434
<b>JUSTICE COURT</b>				
<b>ASSETS</b>				
Cash	95	55,227	55,227	95
<b>LIABILITIES</b>				
Collections Payable	95	55,227	55,227	95
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	163,712	1,361,260	1,416,860	108,112
Taxes Receivable	53,408	8,824	53,408	8,824
<b>TOTAL ASSETS</b>	<u>217,120</u>	<u>1,370,084</u>	<u>1,470,268</u>	<u>116,936</u>
<b>LIABILITIES</b>				
Collections Payable	36,683	255,722	291,219	1,186
Due to Taxing Units	178,012	1,294,883	1,359,579	113,316
Deposits Payable	2,425	10,376	10,367	2,434
<b>TOTAL LIABILITIES</b>	<u>217,120</u>	<u>1,560,981</u>	<u>1,661,165</u>	<u>116,936</u>

**WAYNE COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2004**

**Descriptions of Non-Major Governmental Funds:**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Municipal Building Authority:**

The Municipal Building Authority borrows funds for capital outlay puposes and then leases these facilities to the County and uses the revenues to make the debt service payments.

**T.V. Fund**

This fund receives monies from fees charged to county residences to fund the expenditures for maintenance of the television facilities.

**SANPETE COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2004**

	<u>Municipal Building Authority</u>	<u>TV Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	<u>1,520</u>	<u>76,193</u>	<u>77,713</u>
<b>TOTAL ASSETS</b>	<u><u>1,520</u></u>	<u><u>76,193</u></u>	<u><u>77,713</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Unreserved, Reported in:			
Special Revenue Funds	<u>1,520</u>	<u>76,193</u>	<u>77,713</u>
<b>Total Fund Balances</b>	<u><u>1,520</u></u>	<u><u>76,193</u></u>	<u><u>77,713</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>1,520</u></u>	<u><u>76,193</u></u>	<u><u>77,713</u></u>

**WAYNE COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

**For The Year Ended December 31, 2004**

	Municipal Building Authority	TV Fund	Total
<b>Revenues:</b>			
Charges for Services	-	39,744	39,744
Interest	253	-	253
Miscellaneous	7,000	-	7,000
	<u>7,253</u>	<u>39,744</u>	<u>46,997</u>
<b>Total Revenues</b>	<u>7,253</u>	<u>39,744</u>	<u>46,997</u>
<b>Expenditures:</b>			
Current:			
Culture and Education	-	37,039	37,039
Debt Service:			
Principal	6,000	-	6,000
	<u>6,000</u>	<u>37,039</u>	<u>43,039</u>
<b>Total Expenditures</b>	<u>6,000</u>	<u>37,039</u>	<u>43,039</u>
<b>Net Change In Fund Balance</b>	1,253	2,705	3,958
<b>Fund Balance - Beginning</b>	267	73,488	73,755
<b>Fund Balance - Ending</b>	<u>1,520</u>	<u>76,193</u>	<u>77,713</u>

**WAYNE COUNTY  
TREASURER'S TRUST FUND  
BALANCE SHEET**

**December 31, 2004**

**ASSETS:**

Cash in Savings	91,734
Cash at PTIF	13,850
Taxes Receivable	<u>8,824</u>
 TOTAL ASSETS	 <u><u>114,408</u></u>

**LIABILITIES:**

Collection Payable	1,092
Due to Taxing Units	<u>113,316</u>
 TOTAL LIABILITIES	 <u><u>114,408</u></u>

**WAYNE COUNTY  
COUNTY TREASURER  
CURRENT YEARS TAXABLE VALUES**

December 31, 2004

TAXING UNITS	Real Property and Centrally Assessed Values	Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
County Funds:							
General	140,375,630	.002014	282,717	4,054,231	.002072	8,400	291,117
State Assessing/Collecting	140,375,630	.000180	25,268	4,054,231	.000181	734	26,001
Local Assessing/Collecting	140,375,630	.000133	18,670	4,054,231	.000137	555	19,225
Total County Funds			<u>326,654</u>			<u>9,690</u>	<u>336,344</u>
Wayne County School District	140,375,630	.004846	680,260	4,054,231	.004958	20,101	700,361
Cities and Towns:							
Bicknell	10,599,545	.000305	3,233	686,913	.000318	218	3,451
Loa	16,531,865	.000305	5,042	797,666	.000324	258	5,301
Lyman	5,454,750	.000462	2,520	176,937	.000478	85	2,605
Torrey	10,270,300	.000250	2,568	199,702	.000264	53	2,620
Hanksville	4,612,705	.001057	4,876	281,624	.001056	297	5,173
Total Cities and Towns			<u>18,238</u>			<u>912</u>	<u>19,150</u>
Water Conservancy District	140,375,630	.000042	5,896	4,054,231	.000043	174	6,070
GRAND TOTALS			<u>1,031,049</u>			<u>30,876</u>	<u>1,061,925</u>



**WAYNE COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED  
CURRENT AND PRIOR YEARS**

**December 31, 2004**

	Current Years Taxes			
	<u>Taxes Charged</u>	<u>Treasurer's Relief</u>		
		<u>Unpaid Taxes</u>	<u>Abatements</u>	<u>Other</u>
<b>TAXING UNITS</b>				
County Funds:				
General	<u>291,117</u>	<u>20,289</u>	<u>3,586</u>	<u>1,517</u>
Assessing and Collecting - State	<u>26,001</u>	<u>1,813</u>	<u>320</u>	<u>133</u>
Assessing and Collecting - Local	<u>19,225</u>	<u>1,340</u>	<u>237</u>	<u>100</u>
Wayne County Water Conservancy District	<u>6,070</u>	<u>423</u>	<u>75</u>	<u>31</u>
Wayne County School District	<u>700,361</u>	<u>48,818</u>	<u>8,629</u>	<u>3,629</u>
Towns:				
Bicknell	3,451	66	98	(4)
Loa	5,301	63	130	10
Lyman	2,605	158	118	37
Torrey	2,620	96	76	16
Hanksville	<u>5,173</u>	<u>1,156</u>	<u>82</u>	<u>36</u>
Total Towns	<u>19,150</u>	<u>1,539</u>	<u>504</u>	<u>95</u>
<b>GRAND TOTALS</b>	<u><u>1,061,924</u></u>	<u><u>74,222</u></u>	<u><u>13,351</u></u>	<u><u>5,505</u></u>

<u>Current Years Taxes</u>			<u>Other Collections</u>			
<u>Total</u> <u>Treasurer's</u> <u>Relief</u>	<u>Taxes</u> <u>Collected</u>	<u>Percent</u> <u>Collected</u>	<u>Fee</u> <u>In Lieu</u>	<u>Miscellaneous</u> <u>Collections</u>	<u>Delinquencies</u>	
					<u>Tax</u>	<u>Penalty/</u> <u>Interest</u>
<u>25,392</u>	<u>265,725</u>	<u>91.28%</u>	<u>64,426</u>	<u>8,865</u>	<u>12,422</u>	<u>1,393</u>
<u>2,266</u>	<u>23,735</u>	<u>91.28%</u>	<u>5,628</u>	<u>784</u>	<u>1,349</u>	<u>83</u>
<u>1,677</u>	<u>17,548</u>	<u>91.28%</u>	<u>4,260</u>	<u>594</u>	<u>1,006</u>	<u>59</u>
<u>529</u>	<u>5,541</u>	<u>91.29%</u>	<u>1,337</u>	<u>186</u>	<u>316</u>	<u>19</u>
<u>61,076</u>	<u>639,285</u>	<u>91.28%</u>	<u>154,162</u>	<u>21,478</u>	<u>36,352</u>	<u>2,132</u>
160	3,291	95.36%	1,525	108	156	15
203	5,098	96.17%	2,890	166	102	9
313	2,292	87.98%	996	73	229	7
188	2,432	92.82%	517	70	190	10
<u>1,274</u>	<u>3,899</u>	<u>75.37%</u>	<u>1,552</u>	<u>141</u>	<u>409</u>	<u>21</u>
<u>2,138</u>	<u>17,012</u>	<u>88.84%</u>	<u>7,480</u>	<u>558</u>	<u>1,086</u>	<u>62</u>
<u>93,078</u>	<u>968,846</u>	<u>91.23%</u>	<u>237,293</u>	<u>32,465</u>	<u>52,531</u>	<u>3,748</u>

**WAYNE COUNTY  
TAX COLLECTION TRUST FUND  
CASH RECEIPTS AND DISBURSEMENTS**

**For The Year Ended December 31, 2004**

	Treasurer's Balance December 31, 2003	Tax Collection Receipts	Current Taxes Apportioned
<b>Tax Collection Accounts:</b>			
Current Years Taxes	-	968,846	(968,846)
Fee-In-Lieu	-	237,293	-
Redemption of Prior Years Taxes	-	56,279	-
Motor Carrier	-	32,465	-
Bank Interest	660	396	-
Penalty and Interest - 60%	-	5,830	-
Advance Payments	40	-	-
Refunds	-	4,030	-
Sanitation	-	150,495	-
Television	-	39,744	-
Forest Reserve	35,651	-	-
	<u>36,351</u>	<u>1,495,378</u>	<u>(968,846)</u>
<b>Total</b>	<u>36,351</u>	<u>1,495,378</u>	<u>(968,846)</u>
<b>Taxing Units:</b>			
County General Fund	-	-	265,725
Assessing and Collecting - State	-	-	23,735
Assessing and Collecting - Local	-	-	17,548
Wayne County Water Conservancy District	1,431	-	5,541
Wayne County School District	164,523	-	639,285
<b>Towns:</b>			
Bicknell	652	-	3,291
Loa	1,033	-	5,098
Lyman	579	-	2,292
Torrey	413	-	2,432
Hanksville	1,067	-	3,899
	<u>169,698</u>	<u>-</u>	<u>968,846</u>
<b>Total Due Taxing Units</b>	<u>169,698</u>	<u>-</u>	<u>968,846</u>
<b>GRAND TOTALS</b>	<u>206,049</u>	<u>1,495,378</u>	<u>-</u>

<u>Fee-In-Lieu Apportioned</u>	<u>Miscellaneous Collections Approtioned</u>	<u>Delinquent Taxes and Interest Apportioned</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2004</u>
-	-	-	-	-	-
(237,293)	-	-	-	-	-
-	-	(56,279)	-	-	-
-	(32,465)	-	-	-	-
-	-	-	1,056	1,056	-
-	-	-	5,830	4,909	921
-	-	-	40	40	-
-	-	-	4,030	3,859	171
-	-	-	150,495	150,495	-
-	-	-	39,744	39,744	-
-	-	-	35,651	35,651	-
<u>(237,293)</u>	<u>(32,465)</u>	<u>(56,279)</u>	<u>236,846</u>	<u>235,754</u>	<u>1,092</u>
64,426	8,865	13,815	352,831	352,831	-
5,628	784	1,432	31,579	31,579	-
4,260	594	1,065	23,467	23,467	-
1,337	186	335	8,830	7,884	946
154,162	21,478	38,484	1,017,932	908,844	109,088
1,525	108	171	5,747	5,264	483
2,890	166	111	9,298	8,445	853
996	73	236	4,176	3,855	321
517	70	200	3,632	3,211	421
<u>1,552</u>	<u>141</u>	<u>430</u>	<u>7,089</u>	<u>5,885</u>	<u>1,204</u>
<u>237,293</u>	<u>32,465</u>	<u>56,279</u>	<u>1,464,581</u>	<u>1,351,265</u>	<u>113,316</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,701,427</u>	<u>1,587,019</u>	<u>114,408</u>

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is used to assist in formatting, for easier reading)

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## **COMPLIANCE SECTION**

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# Kimball & Roberts

Certified Public Accountants  
A Professional Corporation

Box 663  
Richfield, Utah 84701  
Phone 896-6488

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners  
Wayne County  
Loa, Utah 84747

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wayne County as and for the year ended December 31, 2004, which collectively comprise Wayne County's basic financial statements and have issued our report thereon dated June 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

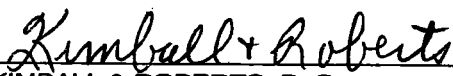
In planning and performing our audit, we considered Wayne County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Board of County Commissioners  
Wayne County  
Page -2-

This report is intended solely for the information and use of the audit committee, management, County Commission and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 24, 2005  
Richfield, Utah



# Kimball & Roberts

*Certified Public Accountants*

*A Professional Corporation*

Box 663

Richfield, Utah 84701

Phone 896-6488

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners  
Wayne County  
Loa, Utah 84747

We have audited the basic financial statements of Wayne County, for the year ended December 31, 2004, and have issued our report thereon dated June 24, 2005. As part of our audit, we have audited Wayne County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

The County also received the following nonmajor grants that are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Wayne County's financial statements.)

Airport (Department of Transportation)  
Fire Department Assistance Grant (Department of Natural Resources)  
Library Grant (Department of Community and Economic Development)  
Bookmobile Grant (Department of Community and Economic Development)  
Fire Department Grants (Department of Forestry)  
EMS (Department of Public Safety)  
Predator Control (Department of Agriculture)  
Mosquito Grant (Department of Agriculture)  
Mineral Lease (Department of Community and Economic Development)  
Distance Ed (Board of Regents)  
Extension Office Grant (Department of Human Services)  
Sheriff OT Grant (Department of Public Safety)  
Search and Rescue (Department of Public Safety)  
Homeland Security (Department of Public Safety)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Property Tax  
Other Compliance Requirements


The management of Wayne County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

The Honorable Board of County Commissioners  
Wayne County  
Page -2-

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Wayne County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance programs for the year ended December 31, 2004.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 24, 2005  
Richfield, Utah